



Mexican Institute of Infrastructure Development

Mexico City, October 9th, 2015.

To: Standing Committee on Foreign Affairs, Defence & Trade

Re: Australia's Relationship with Mexico, Australian Senate Inquiry

The Mexican Institute of Infrastructure Development (IMEXDI) enthusiastically renders this submission before the Standing Committee on Foreign Affairs, Defence & Trade of the Australian Senate. Our submission addresses three main topics, building long-term relationships between the countries' academic, media and business communities, bilateral cooperation in the investment and development of infrastructure, and bilateral cooperation linked to the multilateral Global Infrastructure Hub.

Our organization is an independent think-and-do-tank, focused on improving Mexico's infrastructure ecosystem, and consequently infrastructure, as related to energy, water, transport, communications, urban and tourism development, health and education, etc. We are currently working with grants from both USAID and the U.K.'s Prosperity Fund on reforms to bring international best practice to Mexico's infrastructure legislation, and on founding state centres of infrastructure development to support the country's local infrastructure needs. We are a member of the Australia, New Zealand & Mexico Business Council (ANZMEX), and as well as Executive Director of IMEXDI, I'm also the Council's Sector Leader for Finance & Infrastructure.

1. Australia-Mexico Second-Track Dialogue

Precedent: Australia-Mexico Second-Track Dialogue, June 25-26, 2014, Australian National Centre for Latin American Studies, Australian National University, Canberra

Format: Loosely structured dialogue, which I was privileged to participate in, between a select number of the two countries' think-tanks, universities, media, trade associations and companies

Outcome: Interesting discussions on topics relevant to the bilateral relationship, but no preparation or follow-up framework and activities, to structure and channel the energy and ideas that resulted

Recommendations:

- Organize and fund this event annually, in Australia and Mexico, on alternating years
- Establish one institution in each country as permanent organizer, a role IMEXDI would be delighted to undertake in Mexico
- Select participants carefully, contingent on a demonstrated interest to work to further the bilateral relationship, from a broad spectrum of the two countries' think-tanks, universities, non-governmental organizations, media, trade associations and companies
- Require participants to develop clear goals and a corresponding framework, and commit to specific activities and end-products, with a timeline, to ensure future meetings build on the work of previous ones
- Re-invite only those participants that meet their commitments, and incorporate new participants over time to expand the reach of the dialogue
- Fund the permanent organizers' and participants' activities and end-products, where appropriate
- Provide a supporting communications platform to leverage the dialogue's results as broadly as possible

2. Australia-Mexico Infrastructure Finance Forum (AMIFF)

Objective: Establish long-term cooperation and co-investment between Australian superannuation funds and their Mexican counterparts (AFORES)

Organizers: AUSTRADE, ANZMEX & IMEXDI

Format: Speeches, panels and networking sessions, to be held in Mexico City, on October 22nd, 2015, with attendance from senior pension fund administrators from both countries, senior Mexican government officials from the financial sector, including the Ministry of Finance, the National Banking & Securities Commission, and the Retirement Savings System Commission, as well as the Chief Executive of Infrastructure Partnerships Australia

Expected Outcome: Bilateral, bidirectional investment partnerships in both countries' infrastructure, taking advantage of each other's financial resources, investment management skills, and local knowledge and contacts, with spill-over effects into the entire infrastructure value-chain, including commercial and investment banks, technology and materials' suppliers, and high value-added professionals in law, engineering and finance

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Recommendations:

- Fund events in future events, ideally on an annual basis, in Australia and Mexico, on alternating years, to be permanently organized by AUSTRADE, ANZMEX & IMEXDI
- Prepare and present specific Australian infrastructure projects seeking investment
- Prepare and present specific Australian infrastructure funding and development capabilities, including from superannuation funds, commercial and investment banks, technology and materials' suppliers, and high value-added professionals in law, engineering and finance
- Foster linkages, and coordination of agendas, with the following Australian government bodies, and their Mexican government equivalents:
 - Treasury
 - Ministry for Foreign Affairs
 - Ministry for Infrastructure & Regional Development
 - Ministry for Agriculture and Water
 - Ministry for Communications
 - Ministry for Health
 - Ministry for the Environment
 - Infrastructure Australia
 - Infrastructure Partnerships Australia
 - G20/B20's Global Infrastructure Hub, recently opened in Sydney
 - CSIRO
- Foster linkages with, and promotion of, Australian small- and medium-sized companies with high value-added capabilities in the infrastructure space
- Foster linkages with, and promotion of, Australian universities and research centres
- Fund the permanent organizers' and participants' activities and end-products, where appropriate
- Provide a supporting communications platform to leverage the forum's results as broadly as possible

3. Australian-Mexican Committee Linked to the Global Infrastructure Hub

Precedent: The G20/B20 Global Infrastructure Hub has recently been established in Sydney, Australia, and named its first Chief Executive Officer

Objective: Establish long-term cooperation between the Australian and Mexican government, academic and private sectors in the context of driving and furthering the activities of the Global Infrastructure Hub

Expected Outcome: Analyses of problems, identification of opportunities and exchange of best practices in infrastructure funding and development, as a prelude to their discussion in, and dissemination by, the Global Infrastructure Hub, leveraging Australia's experience as a developed country, with Mexico's as an emerging country

Recommendations:

- Form a working committee with members from each country's relevant government bodies, expert academic institutions and interested financial institutions and companies
- Establish one institution in each country as permanent organizer, a role IMEXDI would be delighted to undertake in Mexico, and could be carried out in Australia by Infrastructure Australia and Infrastructure Partnerships Australia, if interested
- Select committee members carefully, contingent on a demonstrated interest in the committee's work
- Require the committee to develop clear goals and a corresponding framework, and commit to specific activities and end-products, with a timeline, to ensure future meetings build on the work of previous ones
- Re-invite only those committee members that meet their commitments, and incorporate new participants over time to expand its reach
- Fund the permanent organizers' and committee members' activities and end-products, where appropriate
- Fund an annual event to present the committee's results, in Australia and Mexico, on alternating years
- Provide a supporting communications platform to leverage the committee's results as broadly as possible

Personal Note

I had the privilege to grow up in Canberra, as son to Mexico's Ambassador to Australia at the time, and am fully supportive of all Australia-Mexico relationship-building initiatives.

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**Respectfully,
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